

City of Cincinnati

PMR
Amended
for
H.M.

An Ordinance No. 119 - 2007

PROVIDING uniform rules for Community Reinvestment Area exemptions from real property taxation by designating the entire City of Cincinnati as a Community Reinvestment Area pursuant to Ohio Revised Code Sections 3735.65 through 3735.70; designating a Housing Officer; providing for a Community Reinvestment Area Housing Council; determining the nature and length of exemption from real property taxation; and authorizing the City Manager to file a petition with the director of the Ohio Department of Development to confirm the findings of this ordinance; and, REPEALING Ordinance No. 0342-2002, which was passed by City Council on October 23, 2002.

WHEREAS, the Council determines that housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged throughout the City of Cincinnati, including the Central Business District; and

WHEREAS, the remodeling of existing structures and the construction of new dwellings and commercial or industrial structures in the City of Cincinnati constitute a public purpose for which real property tax exemptions may be granted; and

WHEREAS, incentives are needed to curb the trend toward blight and deterioration and to encourage reinvestment in the City of Cincinnati by means of remodeling and repair of existing structures and facilities and the construction of new dwellings and commercial or industrial structures; and

WHEREAS, the Council wishes to repeal Ordinance No. 0342-2002, previously approved by City Council on October 23, 2002; and, desires to designate the entire City of Cincinnati as a Community Reinvestment Area pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 and provide new uniform rules for the grant of real property tax exemptions for the remodeling of existing structures and the construction of new dwellings and commercial or industrial structures wherever located in the City of Cincinnati;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Council finds that The City of Cincinnati Community Reinvestment Area, being the entire City of Cincinnati, constitutes an area in which housing facilities and structures of historical significance are located, and in which new housing construction and repair of existing facilities or structures are discouraged.

Section 2. That Council repeals Ordinance No. 0342-2002, previously approved by City Council on October 23, 2002; and, pursuant to Ohio Revised Code Section 3735.66, declares and establishes The City of Cincinnati Community Reinvestment Area as the entire area within the corporate limits of the City of Cincinnati, as shown on the map attached hereto as "Exhibit A" and made a part hereof.

Section 3. That, pursuant to Ohio Revised Code Section 3735.67, Council determines that the remodeling of existing structures and new construction within The City of Cincinnati Community Reinvestment Area constitute a public purpose for which exemption from real property taxation may be granted as follows, provided that only structures conforming to applicable zoning restrictions shall be eligible. For purposes of this Section, a structure containing four or more dwelling units is deemed used for commercial purposes.

- (a) Remodeling of structures containing one, two or three dwelling units located within The City of Cincinnati Community Reinvestment Area, at a cost of at least \$2,500 (\$5,000 for a structure containing three dwelling units), is eligible for exemption for ten (10) years for 100 percent of any increase in the assessed value of the structure due to the remodeling up to a maximum exemption of \$275,000 per dwelling unit of market improved value at the time of original approval of the exemption. The \$275,000 per dwelling unit market improved value limit will increase by three percent compounded each January 1 during the time that The City of Cincinnati Community Reinvestment Area remains in effect, with the first increase to be effective January 1, 2009.
- (b) New construction of structures containing one, two or three dwelling units located within The City of Cincinnati Community Reinvestment Area is eligible for exemption for ten (10) years for 100 percent of the assessed value of the new construction up to a maximum exemption of \$275,000 per dwelling unit of market improved value of the structure at the time of original approval of the exemption. The \$275,000 per dwelling unit market improved value limit will increase by three percent compounded each January 1 during the time that The City of Cincinnati Community Reinvestment Area remains in effect, with the first increase to be effective January 1, 2009.

- (c) Remodeling of structures of which any part is to be used for commercial or industrial purposes, located within The City of Cincinnati Community Reinvestment Area, at a cost of at least \$100,000, is eligible for exemption for a period and for a percentage of any increase in the assessed value of the structure due to the remodeling, provided that:
- (i) The owner pays to the City the state-established application fee for an exemption agreement;
 - (ii) The owner and the City of Cincinnati enter into an exemption agreement in a form required by the City (following separate approval by ordinance of Council) prior to commencement of remodeling, as provided in Ohio Revised Code Section 3735.671, specifying the period of exemption (up to 12 years) and the exemption percentage (up to 100%), subject to the limitations stated in Ohio Revised Code Section 3735.671(A);
 - (iii) If the exemption is for a structure containing four or more dwelling units, the maximum exemption of \$275,000 per dwelling unit of market improved value at the time of original approval of the exemption and the maximum period of exemption is eight years. The \$275,000 per dwelling unit market improved value limit will increase by three percent compounded each January 1 during the time that The City of Cincinnati Community Reinvestment Area remains in effect, with the first increase to be effective January 1, 2009;
 - (iv) Projects that are the subject of an Enterprise Zone Agreement are ineligible for a Community Reinvestment Area exemption agreement;
 - (v) The owner agrees to pay the City an annual fee equal to one percent of the annual tax exemption, but not less than \$250 or more than \$2,500; and
 - (vi) The owner has entered into an agreement with the Board of Education of City School District of the City of Cincinnati to pay the Board an amount equal to 25 percent of full amount of exempt real property taxes which would have been paid to Hamilton County if the Community Reinvestment Area exemption agreement were not in effect.
- (d) New construction of structures of which any part is to be used for commercial or industrial purposes located within The City of Cincinnati Community Reinvestment Area is eligible for exemption for a period and for a percentage of the assessed value of the new structure, provided that:

- (i) The owner pays to the City the state-established application fee for an exemption agreement;
- (ii) The owner and the City of Cincinnati enter into an exemption agreement in a form required by the City (following separate approval by ordinance of Council) prior to commencement of construction, as provided in Ohio Revised Code Section 3735.671, specifying the period of exemption (up to 15 years) and the exemption percentage (up to 100%), subject to the limitations stated in Ohio Revised Code Section 3735.671(A);
- (iii) If the exemption is for a structure containing four or more dwelling units, the maximum exemption of \$275,000 per dwelling unit of market improved value at the time of original approval of the exemption and the maximum period of exemption is eight years. The \$275,000 per dwelling unit market improved value limit will increase by three percent compounded each January 1 during the time that The City of Cincinnati Community Reinvestment Area remains in effect, with the first increase to be effective January 1, 2009;
- (iv) Projects that are the subject of an Enterprise Zone Agreement are ineligible for a Community Reinvestment Area exemption agreement;
- (v) The owner agrees to pay the City an annual fee equal to one percent of the annual tax exemption, but not less than \$250 or more than \$2,500; and
- (vi) The owner has entered into an agreement with the Board of Education of City School District of the City of Cincinnati to pay the Board an amount equal to 25 percent of full amount of exempt real property taxes which would have been paid to Hamilton County if the Community Reinvestment Area exemption agreement were not in effect.

Provided, however, each exemption is conditioned on:

- (a) The remodeling or new construction being completed in compliance with applicable building code and zoning regulations after the effective date of the ordinance that originally established the Community Reinvestment Area or extended the Community Reinvestment Area to include the property being remodeled or constructed;
- (b) Proper application being made by the owner at any time during the period in which the exemption would otherwise apply to the property, providing that the exemption shall only be permitted for the time that remains for the exemption; and

- (c) The remodeling of any structure of historical significance being certified as appropriate as provided in Ohio Revised Code Section 3735.67(B).

Exemptions may not be granted unless and until the director of the Ohio Department of Development confirms in writing the findings set forth in Section 1.

Section 4. That the City Manager is authorized and directed to file with the director of the Ohio Department of Development the Ohio Community Reinvestment Area Program Petition for Area Confirmation not later than 15 days after the effective date of this ordinance.

Section 5. That the City Manager is further authorized and directed:

- (a) To forward a copy of each exemption agreement entered into pursuant to this ordinance to the director of the Ohio Department of Development and to the Ohio Tax Commission within 15 days after execution of the agreement;
- (b) To submit an annual report on exemption agreements entered into by the City and projects for which exemptions have been granted to the director of the Ohio Department of Development in conformance with Ohio Revised Code Sections 3735.67(B) and 3735.69(B); and
- (c) To notify the director of the Ohio Department of Development of any changes of zoning restrictions within the area.

Section 6. That the Clerk of Council is directed to send a certified copy of this ordinance to the County Auditor of Hamilton County as a matter of information.

Section 7. That the Clerk of Council is directed to publish this ordinance in the City Bulletin once a week for two consecutive weeks immediately following its adoption.

Section 8. That, as used in this ordinance, the term “remodeling” means any change made in structure for the purpose of making it structurally more sound, more habitable, or for the purpose of improving its appearance.

Section 9. That, consistent with the provisions previously contained in Ordinance No. 0342-20023, all applications made, exemption agreements executed, and exemptions granted pursuant to

the ordinances that designated, renewed or extended the following Community Reinvestment Areas shall continue in force in accordance with the provisions of the ordinance applicable to that application, agreement or exemption in effect at the time of application, execution of the agreement or grant of exemption, subject to inspections and possible revocation, as set forth in Ohio Revised Code Sections 3735.68 and 3735.69:

- (1) Community Reinvestment Area No. 2, as designated and described in Ordinance No. 187-2001 and as modified by Ordinance No. 231-2001.
- (2) Community Reinvestment Area No. 4 (Betts-Longworth), as designated and described in Ordinance No. 81-1984.
- (3) Community Reinvestment Area No. 5 (Avondale), as designated and described in Ordinance No. 280-1984 and as renewed and extended by Ordinance No. 354-1991, Ordinance No. 10-1994, Ordinance No. 107-1995 and Ordinance No. 317-1999.
- (4) Community Reinvestment Area No. 9 (Walnut Hills (Southwest Quadrant)), as designated and described in Ordinance No. 285-1984 and as renewed and extended by Ordinance No. 378-1991, Ordinance No. 227-1997 and Ordinance No. 409-2000.
- (5) Community Reinvestment Area No. 18 (Klotter Street), as designated and described in Ordinance No. 225-1989 and as renewed and extended by Ordinance No. 310-1999.
- (6) Community Reinvestment Area No. 20 (Over-The-Rhine), as designated and described in Ordinance No. 463-1992 and as renewed and extended by Ordinance No. 232-1994 and Ordinance No. 285-1996.
- (7) Community Reinvestment Area No. 28 (East End (Walworth Avenue)), as designated and described in Ordinance No. 244-1994 and as renewed and extended by Ordinance No. 262-2000.
- (8) Community Reinvestment Area No. 30 (East End), as designated and described in Resolution No. 71-1995 and as renewed and extended by Ordinance No. 263-2000.
- (9) Community Reinvestment Area No. 32 (Mt. Auburn), as designated and described in Resolution No. 3-1997, and as expanded by Ordinance No. 29-2001.

- (10) Community Reinvestment Area No. 33 (Winton Hills), as designated and described in Resolution No. 172-1996.
- (11) Community Reinvestment Area No. 34 (Hillcrest Gardens), as designated and described in Resolution No. 91-1997.
- (12) Community Reinvestment Area No. 35 (CitiRama), as designated and described in Resolution No. 121-1997.
- (13) Community Reinvestment Area No. 36 (Brotherton/Rosslyn), as designated and described in Resolution No. 154-1997, and as amended by Ordinance No. 97-1998 (expires 09/04/2002).
- (14) Community Reinvestment Area No. 37 (Monning/Whetsel), as designated and described in Resolution No. 186-1997, and as amended by Ordinance No. 96-1998.
- (15) Community Reinvestment Area No. 38 (Bramble Conant), as designated and described in Resolution No. 86-1998.
- (16) Community Reinvestment Area No. 39 (Walnut Hills), as designated and described in Resolution No. 87-1998, and as expanded by Ordinance No. 412-2000.
- (17) Community Reinvestment Area No. 40 (Florence and Reading), as designated and described in Ordinance No. 273-1999.
- (18) Community Reinvestment Area No. 41 (Pine Grove), as designated and described in Ordinance No. 130-2000.
- (19) Community Reinvestment Area No. 43 (CitiRama 2000), as designated and described in Ordinance No. 334-2000 and as expanded by Ordinance No. 230-2001.
- (20) Community Reinvestment Area No. 44 (West End), as designated and described in Ordinance No. 2-2001 and as expanded by Ordinance No. 186-2001.
- (21) Community Reinvestment Area No. 45 (Walnut Hills, North), as designated and described in Ordinance No. 69-2001.
- (22) Community Reinvestment Area No. 46 (Northside), as designated and described in Ordinance No. 231-2001.
- (23) Community Reinvestment Area No. 47 (Seymour Avenue), as designated and described in Ordinance No. 70-2001.

Section 10. That, consistent with the provisions previously contained in Ordinance No. 342-2002, repealing the following Community Reinvestment Areas effective October 23, 2002, all applications made, exemption agreements executed, and exemptions granted pursuant to the ordinances that designated, renewed or extended the Community Reinvestment Areas located within the downtown area shall continue in force in accordance with the provisions of the ordinance applicable to that application, agreement or exemption in effect at the time of application, execution of the agreement or grant of exemption, subject to inspections and possible revocation, as set forth in Ohio Revised Code Sections 3735.68 and 3735.69:

- (a) Community Reinvestment Area No. 25 (located in downtown Cincinnati east of Central Avenue and south of Fifth Street), as designated and described in Ordinance No. 3-2002.
- (b) Community Reinvestment Area No. 26 (located in downtown Cincinnati east of Central Avenue, south of Central Parkway, west of Broadway, and north of Sixth Street), as designated and described in Ordinance No. 2-2002.
- (c) Community Reinvestment Area No. 29 (located in downtown Cincinnati east of the Central Business District), as designated and described in Ordinance No. 4-2002.

Section 11. That further, structures eligible for an exemption pursuant to the provisions of Ordinance No. 0342-2002, as evidenced by: (i) a final certificate of use and occupancy or closed permit with a date of October 23, 2007 or earlier for residential one, two or three dwelling units; or, (ii) an application and CRA Tax Exemption Agreement approved by the City Council on or before October 23, 2007 for commercial, industrial, or residential structures with four or more dwelling units shall continue in force in accordance with the provisions of said ordinance.

Provided, however, each exemption is conditioned on:

- (a) The remodeling or new construction being completed in compliance with applicable building code and zoning regulations;
- (b) Proper application being made by the owner at any time during the period in which the exemption would otherwise apply to the property, providing that

the exemption shall only be permitted for the time that remains for the exemption;

- (c) The remodeling of any structure of historical significance being certified as appropriate as provided in Ohio Revised Code Section 3735.67(B); and
- (d) The exemption agreement being consistent with the provisions of Ordinance No. 0342-2002 that shall have been in effect at the time of start of construction of the structure and which included the location of the structure.

Section 12. That the Council of the City of Cincinnati reserves the authority to reevaluate The City of Cincinnati Community Reinvestment Area to determine whether or not applications for exemptions from real property taxation under the provisions of Ohio Revised Code Section 3735.65 through 3735.70 shall continue to be accepted. Absent further action by Council at that time, the provisions of this ordinance shall expire ten (10) years from the effective date of this ordinance, such that no new exception agreements shall be entered into after that expiration. Provided, however, that:

- (a) All applications made and exemptions granted pursuant to this ordinance shall continue in force for the full period of time set forth in Section 3, subject to inspections and possible revocation, as set forth in Ohio Revised Code Sections 3735.68 and 3735.69;
- (b) The exemption authority provided herein shall continue to apply to any structure for which an exemption agreement has been entered into prior to the expiration of this ordinance, even if the exemption application and grant of exemption occurs after such expiration; and
- (c) Application or appeals filed prior to the expiration date of this ordinance for residential remodeling work and new construction completed prior to that expiration date shall be heard, granted or denied in the same manner as previous applications or appeals.

Section 13. That Council directs the reappointment of a community reinvestment area housing council, composed of two members appointed by the mayor, two members appointed by the Council of the City of Cincinnati, and one member appointed by the city planning commission. The majority of the foregoing members shall then appoint two additional members who shall be residents

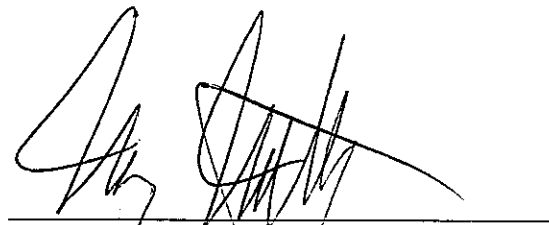
of the city. Terms of the members of the community reinvestment area housing council shall be for three years. An unexpired term resulting from a vacancy in the community reinvestment area housing council shall be filled in the same manner as the initial appointment was made.

The community reinvestment area housing council shall make an annual inspection of the properties within the community reinvestment area for which an exemption has been granted under Section 3735.67 of the Revised Code. The council shall also hear appeals under Section 3735.70 of the Revised Code.

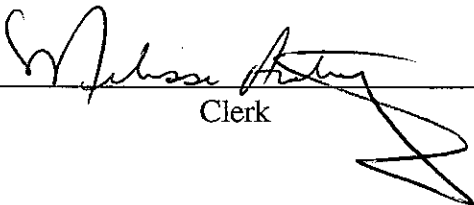
Section 14. That Council designates the Department of Community Development and Planning as the City of Cincinnati housing officer and directs the Department of Community Development and Planning to discharge the responsibilities imposed on housing officers by Ohio Revised Code Section 3735.66, et seq.

Section 15. That this ordinance shall go into effect after October 23, 2007.

Passed: March 28, 2007

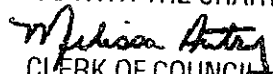


Mayor

Attest: 

Clerk

I HEREBY CERTIFY THAT ORDINANCE NO. 119-2007
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 4-10-2007


CLERK OF COUNCIL